

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2551 - SB 2712

March 6, 2018

SUMMARY OF BILL: Eliminates the requirement for a license to perform natural hair styling services and the requirement for shops and schools specializing in natural hair styling to be licensed. Eliminates the 16 hours of training and certificate required for hair wrapping. Expands the definition of "natural hair styling" to include the use of decorative beads, fibers, minor trimming of natural hair or hair extensions, the making of wigs and the use of topical agents. Prohibits natural hair stylists from using chemical hair joining agents.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – \$6,500/Board of Cosmetology and Barber Examiners

Other Fiscal Impact - Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. The Board of Cosmetology and Barber Examiners experienced a deficit of \$163,666 in FY15-16, a surplus of \$50,787 in FY16-17, and had a cumulative reserve balance of \$281,620 on June 30, 2017.

Assumptions:

- Passage of this legislation would require the Board of Cosmetology and Barber Examiners (BCBE) to no longer issue licenses to the 156 natural hairstylists and 48 natural hairstyling shops currently licensed in Tennessee.
- The biennial license fee is \$60 for a natural hairstylist and \$75 for a natural hairstyling shop.
- No longer issuing these licenses would result in a decrease in state revenue to the BCBE.
- The total recurring decrease in state revenue is estimated to be \$6,480 [(156 individuals x \$60) + (48 shops x \$75) / 2-year license].
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two- year period. The BCBE experienced a deficit of \$163,666 in FY15-16, a surplus of \$50,787 in FY16-17, and had a cumulative reserve balance of \$281,620 on June 30, 2017.

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IMPACT TO COMMERCE:

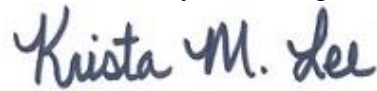
Decrease Business Expenditures - \$6,500

Assumptions:

- This legislation is estimated to result in a recurring annual decrease in business expenditures of \$6,500 as a result of natural hairstylists, shops and instructors no longer being required to pay a licensure fee.
- This legislation will have no significant impact on jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/vlh